

Civil Engineering Projects



Public Transport
Interchange at Tai Wai
Station



Construction of Sunny Bay (previously named Yam O Tuk)
Fresh Water Service Reservoir

Chairman's Statement

On behalf of the Directors of Chun Wo Holdings Limited, I am pleased to present to the shareholders the Group's results and operations for the year ended 31 March 2004.

Results

The audited consolidated profit after taxation and minority interests of the Group for the year ended 31 March 2004 is HK\$71.4 million, as compared to last year's profit of HK\$5.6 million, representing an increase of 1,175%. Turnover is HK\$3,159 million, representing an increase of 29%, as compared to last year's HK\$2,450 million. Earnings per share for the reported year is HK9.9 cents.

Dividends

The Directors recommended a final dividend of HK2.65 cents (2002/2003: Nil) per share. This together with the interim dividend of HK1.25 cents (2002/2003: HK0.75 cent) per share will make a total dividend payment of HK3.9 cents (2002/2003: HK0.75 cent) per share for the year ended 31 March 2004.

Closure of Register of Members

The Register of Members of the Company will be closed from Thursday, 26 August 2004 to Tuesday, 31 August 2004, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Hong Kong Branch Registrars of the Company, Secretaries Limited, at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on Wednesday, 25 August 2004.

Business Review

The devastating impact of Severe Acute Respiratory Syndrome ("SARS") outbreak in the first quarter of the year under review, had inevitably affected the property market and caused a temporary pullback in construction works. However, the second half of the year saw sustained economic growth across the border and a gradual economic recovery in Hong Kong, the formation of the Pan-Pearl River Delta Region Cooperation and Development Project in the South China Pearl River Delta region and the neighbouring provinces, all of which incited fresh hopes for better times. There was a corresponding drop in Hong Kong's unemployment rate from 8.8% in May 2003 to 7.1% in January 2004, reflecting the improving economic situation here. Overall, there has been increasing consensus towards a sustainable economic recovery.

At the time of writing of this report, the Group's estimated value of contracts in hand stands at HK\$7.0 billion, with about HK\$3.7 billion outstanding.

Our building construction team successfully completed the private residential development at Nos. 80-90 Des Voeux Road West and substantially completed the development "Vianni Cove" in Tin Shui Wai Town Lot 27. The construction of the residential development "The Pacifica" at NKIL 6275 West Kowloon Reclamation, the office building at Tsing Yi TYTL139 and the Cyberport Phase II residential development were all proceeding on schedule. During the year under review, the Group was awarded the contract for the residential development at IL 8972, Tai Hang after the Group had successfully completed the preceding foundation construction contract.